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2016 CED/CED-HFFI Funding Opportunity Announcement Questions and Answers – (as of 04/26/2016)

This document contains frequently asked questions and answers regarding the 2016 CED & CED-HFFI Funding Opportunity Announcement.

General

CED and CED-HFFI Programs Overview

Question: What is the purpose of the Community Economic Development (CED) Projects program?

Answer: The purpose of the CED program is to support businesses that develop new products, services, and other commercial activities that result in the creation of new positions for individuals with low-income that:

- Are ready to implement at the time of award;
- Lead to increased self-sufficiency for individuals and families with low-income;
- Create businesses and jobs in low-income communities that improve the livelihood of not only those
- who obtain those jobs but the community itself; and
- Attract additional public and private funds to increase investment and quality of life in low-income communities.

The CED program does this by providing funding for projects aimed at business development opportunities and creating employment for individuals with low-income located in geographic areas with a demonstrated need for the proposed project. To accomplish this, the program requires that all businesses and positions created support a service area with unemployment and poverty rates that are at or above the state or national levels. The CED program also seeks to fund projects that address the personal and community barriers that must be overcome to help individuals with low-income become self-sufficient.

Question: What is the purpose of the Community Economic Development Healthy Food Financing Initiative Projects (CED-HFFI) program?

Answer: The CED-HFFI program's objectives are to support businesses and commercial activities that improve the access to healthy foods and the overall health of community residents while creating long-term jobs in the community that:

- Bring healthy food choices to communities that are in food deserts through the establishment of new healthy food retail outlets or by supporting the offering of a significant number of healthy food choices at an existing retail outlet that lack such choices;
- Develop and enhance distribution systems to increase the amount of healthy food going to healthy food retail outlets in food deserts;
- Develop strategies that promote or encourage the purchase of healthy foods, including outreach and education to consumers in food deserts about healthy food choices and how they can be integrated into their diet; and
- Provide income to individuals with low-income so that they can become self-sufficient.

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OCS seeks to fund projects that implement strategies to increase healthy food access, foster self-sufficiency for low-income families, and create sustained employment opportunities in low-income communities. To do this, the CED-HFFI program will provide technical and financial assistance for healthy food ventures designed to: (1) improve access to, and purchase and consumption of healthy, affordable foods; and (2) address the economic needs of individuals and families with low-income through the creation of employment and business opportunities in low-income communities.

Application Timeline

Question: When is the application due?

Answer: The deadline for electronic application submission via www.Grants.gov is 11:59 p.m. ET, on **April 27, 2016** as listed in the *Overview* and in *Section IV.3. Submission Dates and Times*. Electronic applications submitted to www.Grants.gov after 11:59 p.m. ET, on the due date specified, as indicated by a dated and time-stamped email from www.Grants.gov, will be disqualified from competitive review and from funding under this announcement. That is, applications submitted to www.Grants.gov, on or after 12:00 a.m., ET, on the day after the due date will be disqualified from competitive review and from funding under this announcement.

Question: When will funding awards be announced?

Answer: Awards will be made no later than September 30, 2016.

Question: Can you give me an estimate total number of applications submitted?

Answer: OCS typically receives 100 - 120 applications each year for both the CED and CED-HFFI Funding Opportunities. Each year, 30 - 40 applications are awarded funding.

Award Ceiling

Question: What is the Award Ceiling?

Answer: The award ceiling is \$800,000 per project period. CED-funded projects can be non-construction or construction projects. The award ceiling for both project types is \$800,000. Non-construction projects will have one 36-month project and budget period. Projects that involve construction will have one 60-month project and budget period.

Question: Can I submit two construction projects? Can each project be for \$800,000 – is the award ceiling per project or per applicant? Or can I submit one \$800,000 application for two separate businesses?

Answer: The award ceiling is per project. An applicant may submit multiple applications for projects requesting up to \$800,000 in CED/CED-HFFI grant funding. However, only one CED/CED-HFFI project per applicant organization will be funded annually. You may also submit an application for a project that involves assisting two separate businesses that does not exceed the funding ceiling of \$800,000 – this is all dependent on your project design.

Federal Evaluations

Question: On pages 4-5 of the CED/HFFI announcement it states that all grantees are required to agree to participate in federal evaluations. However, prior language that was in the 2015 CED/HFFI announcement in the Project Viability section, which was where grantees were directed to agree to participate in federal evaluations, was removed in the 2016 CED/HFFI announcement.

Please clarify whether 2016 CED/HFFI applicants will be required to agree to participate in federal evaluations and if so, where should this be stated.

Answer: It is not required that an applicant state that it agrees to participate in an evaluation. As stated in the FOA, "as a condition of acceptance of a grant award, all funded grantees are required to agree to participate fully in federal evaluations, if selected, and to follow all evaluation protocols established by ACF or its designee contractor.

Grant Period

Question: Is the grant period a maximum period? If the objectives such as job creation and retention are achieved in a shorter period, may the grantee close out the activities related to the grant according to HHS requirements?

Answer: Yes, the grant period is a maximum. In some circumstances, a no-cost extension may be awarded to provide a grantee with additional time to finish grant activities. If business expansion/creation and job creation targets are achieved in a shorter period, then the grantee may close out the grant according to HHS requirements and at the discretion of OCS.

Job Creation

Question: Can you explain who jobs have to go to; do all have to be TANF-eligible?

Answer: No, all jobs created do not have to be filled by TANF-eligible individuals. However, 75% of all new, full-time, full-year jobs created using CED/CED-HFFI funds must be filled by low-income individuals. For purposes of the CED/CED-HFFI funding opportunities, "low-income" is defined as an individual whose household income level does not exceed 125 percent of the official poverty guidelines as found in the most recent revision of the HHS Poverty Guidelines published by HHS. These guidelines may be found at <http://aspe.hhs.gov/POVERTY/15poverty.cfm>.

Question: Does a business project get ANY credit for creating part-time jobs? I realize the goal is full time positions, but might two part time positions equate to one full time position?

Answer: No - part time jobs created by a project do not count towards the number of jobs created under the CED program. As stated in the Funding Opportunity Announcements, CED and CED-HFFI funding may be used for eligible activities that contribute to full-time, full-year positions. A full-time, full-year position is a non-seasonal position requiring at least 30 hours of work per week. An aggregation of part-time positions to a full-time equivalent is not considered a full-time position. While part-time job creation is important, in regards to the CED and CED-HFFI Funding Opportunity Announcements, OCS is only concerned with new, full-time positions that applicants propose to create.

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Question: When considering jobs created, either in the past or in the future with CED funding, do jobs created within the applicant organization count towards the minimum numbers expected to be created and filled as a result of the grant award?

Answer: Any new, permanent full-time, full year positions created within the applicant organization as a result of this project can count towards the minimum number of jobs expected to be created and filled through the grant. However, keep in mind that 75% of all new positions created must be filled by low-income individuals as defined by HHS poverty guidelines. These guidelines may be found at: <http://aspe.hhs.gov/poverty/index.shtml>.

Question: More details around projecting and reporting on jobs created

Answer: If you have specific questions regarding projecting and reporting job creation, please submit those inquiries to the OCSRegistrar@icfi.com. As stated in the Funding Opportunity Announcements, CED and CED-HFFI funding may be used for eligible activities that contribute to the creation of new, permanent, full-time, full-year positions. A full-time, full-year position is a non-seasonal position requiring at least 30 hours of work per week. Part time jobs created by a project do not count towards the number of positions created under the CED/CED-HFFI programs. Additionally, 75% of the positions created using CED/CED-HFFI funds must be for low-income individuals and the cost per position cannot exceed \$20,000 for non-construction projects and \$25,000 for construction projects.

Question: Our agency is considering a request for CED funding for construction and non-construction funds to support a small business incubator program in an underserved/low-income area in Houston/Harris County and I would like some clarification/response on the following:

1. Can jobs created by the applicant agency - a nonprofit, CDC - be considered in the count of jobs to be created and that can be supported according to the formula for maximum amount of funding which may be requested?
2. If yes, what documentation or justification would need to be required to demonstrate sustainability and permanency?
 - a. As an agency whose budget has grown substantially through a successful effort of blending/braiding private and public funding from various streams, we can confidently demonstrate our experience with similar projects and ability to create jobs for the organization; however, would documentation of this history and capability be sufficient to support the ability to sustain the project?
 - b. Or, would the sustainability need to be supported in a traditional business manner - e.g. as a social enterprise/profit making venture?

Also, can you tell me if the CED grant will be funded/released again in 2017?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question.

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1. Only jobs created by CED and CED-HFFI funds are included in cost per job calculation. The FOA defines job creation as “New full-time, full-year positions for the project that did not exist prior to the start of the project and came about as a direct result of the investment of OCS funds in project activities, such as development of new business ventures, the expansion of existing participating businesses, or the development of new products and services. The training and job placement of individuals in positions existing prior to the start of the project, even positions guaranteed to individuals with low-income through a formal agreement with an employer, is NOT considered job creation.”

2. As noted in the FOA, the application must demonstrate that the full-time positions created will be sustained for at least one year after the end of the grant period. It must list the steps that will be taken to set up the project solidly and position it for continued success after the end of the grant period. Program income may be used to demonstrate the long-term sustainability of the project, but since CED projects should be ready for implementation at the time of the award. Future program income cannot be used to meet the non-CED funding needs for project implementation. While OCS cannot comment on your project design or application prior to submission, documentation of the history and capacity can be included to demonstrate the organization’s ability to sustain the project through a variety of examples, including similar past projects, in addition to the other requirements outlined in the FOA.

The CED and CED-HFFI Funding Opportunity Announcements have not yet been released for 2017, but it is anticipated the FOA will be released in the spring of 2017.

Question: ERC is a non-profit real estate developer. They invest in construction projects that involve rehabbing and improving existing real estate in South Los Angeles, and then lease these improved properties (at below market rates or at the low end of the market rate) to non-profit service providers that provide both employment opportunities and needed services in the target market. In this manner, they are building the capacity of the target community while removing the real estate ownership risk for service providers who may not have the resources to take on owning a property. ERC is considering applying for OCS CED funds for a project currently in their development pipeline that would involve leasing the rehabbed property to a non-profit preschool provider. The preschool provider would be a project partner in providing input to ERC regarding specific tenant needs such as classroom layout and other space needs, but would not be a recipient of OCS CED funds. In this case, the grantee - ERC - would not be the job creator, but the preschool provider would. The question that ERC has is whether this is allowable. Further, would the application then require a third party agreement with the preschool provider be submitted as an addendum?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. A project partner is defined as "any individual, organization, or participating business entity participating in the project that is not the direct recipient of CED grant funds. Typical project partners include the following: equity investors, donors, a more experienced partner, a wholly owned subsidiary, or a business entity to which the grantee makes an equity investment or capitalizes a loan in support of grant purposes. Note: CED

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grantees must play a substantive role in the project. A grantee working with a project partner must actively monitor the project and ensure compliance with CED program requirements. A third party agreement such as a project partner agreement is defined on page 11 of the CED FOA as a "written and signed agreement, entered into by the grantee and project partners, such as a more experienced partner, that will directly or indirectly spend CED funds and/or create new full-time, full-year positions."

Question: On page 1, the FOA states that it seeks to fund projects that "...created sustained employment opportunities in low-income communities." On page 3, it states that "ACF only requires that a minimum of 75% of the newly created jobs be filled by individuals with low-income." Is it sufficient to create new jobs in communities where the average household income meets the FOA's definition of low-income? Or are applicants required to screen individuals for low-income prior to enrolling them in the program?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. The CED program provides funding for projects aimed at business development opportunities and creating employment for individuals with low-income located in geographic areas with a demonstrated need for the proposed project. To accomplish this, the program requires that all businesses and positions created support a service area with unemployment and poverty rates that are at or above the state or national levels. Organizations award grants are required to report on positions created and the number of low-income individuals that filled those jobs. As noted in the FOA evaluation criteria (under Business Plan - Project Viability), reviewers will consider the extent to which the application includes a sound and feasible recruitment strategy and tracking system to obtain and document referrals of low-income individuals for employment in at least 75% of the jobs created by the project.

Question: On pg 29, the FOA states that "The applicant must demonstrate the full-time positions created will be sustained for at least one year after the end of the grant period." May applicants propose new jobs that will be sustained in the long-term through public agencies?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. The application must demonstrate that the full-time positions created will be sustained for at least one year after the end of the grant period. It must list the steps that will be taken to set up the project solidly and position it for continued success after the end of the grant period.

Question: Hello, I'm looking for clarification on the job creation requirements in relation to direct and indirect costs for our proposal. Are the job creation requirements based on the direct costs of the program or total direct and indirect costs? Secondly if it is related only to direct costs am I reading correctly that we can budget up to 10% of the direct costs for indirect costs such as admin, HR, accounting, etc? Any clarity you can provide would be great.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. The job creation requirements are based on the grant award received by OCS. On page 30 of the CED FOA, it states "that

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the project will create at least the minimum number of jobs for the amount of the requested award equal to the ratio found by dividing the requested award amount by \$25,000 for construction projects or \$20,000 for non-construction projects. For examples of number of jobs based on specific award amounts, see Appendix A: Sample Chart of Jobs Created at the end of the announcement.

Question: Hi more clarification needed about salaries paid to individuals: 1. Can the salaries be higher than \$20/\$25K as stated in the NOFA if paid from another source of funding? In other words can we add to the CED funding to give individuals a higher wage? 2. Are wages paid with CED funding taxable for payroll tax, state, Federal taxes etc.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question.

1. As stated in the FOA, The application convincingly demonstrates that the CED cost per position created is equal to or less than the ratio found by dividing the request award amount by \$25,000 for construction projects or \$20,000 for non-construction projects." the \$20,000 and \$25,000 are not salary requirements, they are the cost per position requirements.

2. Yes, they are taxable.

Project Start Date

Question: The application is due in April, with the award announcement coming by September 30th. The application states that projects should be "ready" to begin, but can the projects begin prior to receiving the grant award? If the application is submitted in April, and construction begins in August, can those costs be covered when the grant is received in the months following September?

Answer: Projects applying for CED/CED-HFFI funds may begin prior to September 30th. However, project costs incurred prior to September 30th may not be covered by grant funds.

Question: Could you please explain the "project period" as written in the sentence below? I read the sentence to be defining a business project or expansion that was created outside of your grant funding and there for cannot comply with the project period as defined by this grant. I am to assume that if we created a business or expanded a business with-in the last ten years and it lasted for any length of time, it qualifies? This is our first time as a potential applicant, therefore we have no business that has lasted "at least one year beyond the project period".

"The applicant must provide evidence of two business creation or business expansion projects undertaken by the applicant with in the last 10 years that are substantially similar to the project for which CED funding is being requested and were successful in creating full time, full year positions that lasted at least one year beyond the project period."

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. Your application must provide evidence of two business creation or business expansion projects undertaken within the last ten years that are substantially similar to the project for which CED funding is being requested and were

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successful in creating full-time, full-year positions that lasted for at least one year beyond the project period.

As defined in the FOA, for CED and CED-HFFI projects, the project period is “The total time for which federal support has been programmatically approved as shown in the Notice of Grant Award. Non-construction projects will have a 3-year project period. Projects that involve construction will have a 5-year project period.”

If the two projects in the last ten years you are describing are not CED or CED-HFFI projects, you should include the project period for the project you are describing. In addition, applicants that cannot demonstrate substantial experience with economic development projects similar in size and scope to those proposed in the application must provide evidence of a viable partnership with a more experienced partner (as defined in Section I. Program Description) and evidence of a workable and strategic arrangement for the more experienced partner to provide the administrative, technical, and/or financial technical assistance needed to ensure the success of the project.

Cost Per Job

Question: Please clarify Appendix A: Sample Chart of Cost per Job. If \$100,000 is spent on 4 employees is, the entire amount \$25,000 for each employee?

Answer: The cost per position is calculated by dividing the total grant request by the number of full-time, full-year positions to be created through the project.

[Total Amount of Federal CED-HFFI Funds Awarded] divided by [\$25,000 for construction projects or \$20,000 for non-construction projects] = [Minimum Number of Jobs to be Created].

If the total CED award amount is \$100,000 and it is a construction project, then at least 4 jobs must be created through the project.

$\$100,000 / \$25,000 = 4$. The cost per job is \$25,000 for each of the 4 jobs.

As outlined in the Funding Opportunity Announcement, the cost per job cannot exceed \$20,000 for non-construction projects and \$25,000 for construction projects.

Question: Although it is stipulated that microenterprise business training and technical assistance centers are not eligible for assistance under this announcement, can businesses forecasting to create 5 jobs or less be assisted (and those jobs counted), if there is a mix of larger and small new businesses assisted?

Answer: Businesses forecasting to create 5 jobs or less are eligible to apply as long as they meet the cost per position requirements and at least 75% of those jobs are for low-income individuals. As outlined in the Funding Opportunity Announcements, the cost per job calculations cannot exceed \$20,000 for non-construction projects and \$25,000 for construction projects funded with CED and CED-HFFI funds.

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When calculating the cost per position, divide the total CED/CED-HFFI grant request by the number of full-time, full-year positions to be created through the project as follows:

[Total Amount of Federal CED-Funds Awarded] divided by [\$25,000 for construction projects or \$20,000 for non-construction projects] = [Minimum Number of Jobs to be Created].

So in this case, let's assume you will create 5 jobs. Then the total CED/CED-HFFI award amount you can request for a non-construction project is \$100,000 ($\$100,000 / \$20,000 = 5$). If this is a construction project, the total CED/CED-HFFI award amount you can request for a non-construction project is \$125,000 ($\$125,000 / \$25,000 = 5$).

Your project may also assist a mix of larger and smaller businesses – the total number of jobs will be based on the aggregate number of new, permanent, full-time, full year positions to be created by the project as a whole (not per business).

Match Requirements

Question: Are matching funds required for award?

Answer: There is no cost match required for CED projects.

Eligible Use

Question: Are there any restrictions on how CED funds can be used?

Answer: Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are considered unallowable costs under grants or cooperative agreements awarded under this funding opportunity announcement.

Note: *Costs incurred for grant application preparation are not considered allowable costs under an award and may not be included in the project budget or budget justification.*

- Grant awards will not allow reimbursement of pre-award costs.
- Subawards are not permitted under projects receiving funds under this announcement.
- Grant awards will not allow reimbursement of pre-award costs.
- Grant awards may not be used to capitalize loan loss reserve funds.
- Grant awards may not be used to make a loan with a balloon payment that will be paid after the end of the project period.
- Organizations may receive a maximum of one new CED award per year.

Question: Can you clarify if we can use HFFI funds for new business start ups?

Also it seems from instructions that we can submit 2 types of letters of support, one more general support and another for project partners that includes details of roles in the implementation of the project -- is this correct.

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Do we submit a copy of a detailed business plan in the appendices, or is the language in the narrative sufficient?

Answer:

1. CED and CED-HFFI funding can be used for new business creation or expansion. As stated in the Funding Opportunity Announcement, funds can be used for costs associated with participating business start-up or expansion activities, as consistent with the cost principles found at 2 CFR Part 200, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low-income. As defined in the announcement, an incubator is a program to help start-up participating businesses flourish by providing support, resources, and business services and advice, usually in one physical location. Incubators that are established without a geographic location in the community are not supported by this announcement. Incubator development is allowable as long as it demonstrates substantial and specific job creation for low-income individuals and the incubator is located in a geographic location within the community. Incubators that are established without a geographic location in the community are not supported by this announcement.
2. We believe you are referring to Letters of Support and third party agreements:
 - a. As defined in the FOA, Letters of Support are a signed letter that describes government and/or community support for the project, including a description of the involvement/collaboration and the resources the government and/or community entity will provide. Letter of Support should also pledge to support the proposed project by either providing in-kind services or financial contributions.
 - b. Third-party agreements include Memoranda of Understanding (MOU) and Letters of Commitment. General letters of support are not considered to be third-party agreements. Third-party agreements must clearly describe the project activities and support to which the third party is committing. Third-party agreements must be signed by the person in the third-party organization with the authority to make such commitments on behalf of their organization. Provide written and signed agreements between grantees and subgrantees, or subcontractors, or other cooperating entities. These agreements must detail the scope of work to be performed, work schedules, remuneration, and other terms and conditions that structure or define the relationship. A third-party agreement covering a loan transaction must contain, at a minimum, the following information: (1) purpose(s) for which the loan is being made; (2) interest rates and other fees; (3) terms of the loan; (4) repayment schedules; (5) Collateral security; (6) default and collection procedures; (7) signatures of the authorized officials of the lender and the borrower. A third-party agreement covering an equity investment must contain, at a minimum, the following: (1) purpose(s) for which the equity investment is being made; (2) the type of equity transaction (e.g. stock purchase); (3) cost per share and basis on which the cost per share is derived; (4) number of shares being purchased; (5) percentage of ownership in the business; (6) term of duration of the agreement; (7) number of seats on the board, if applicable; (8) signatures of the authorized officials of the grantee and third party organization.
3. The business plan should be discussed in detail throughout the narrative of your application. In addition, the narrative of your application may include references to supporting documentation that may be included in the Appendices file. In such instances, applicants should provide clear references using item name, location, and page numbers. For example, you may include a summary of the market analysis in the Project Description, but the actual market research and data may be included in the Appendices file.

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Question: Could this money be used to create a pool for providing grants/loans to a number of small businesses? Or do we have to have specific businesses and projects lined up before we apply?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As indicated on page 3 of the CED FOA, CED funds may be used for the start-up or expansion activities of participating businesses, as consistent with the cost principles, provided that the expenditures result in the creation of positions that can be filled with individuals with low-income.

The participating businesses should be identified in your application. Participating Businesses, defined on page 8 of the CED FOA, are businesses that have been identified as CED project participants, having executed a third-party agreement with the CED applicant to create new, full-time, full-year jobs, at least 75 percent of which will be filled by individuals with low income. Proposed jobs are specifically identified in the third party agreement.

For loan projects, the application must identify the specific participating business(es) that will receive the loan(s) and demonstrate how loans will be made in compliance with all program requirements described elsewhere in the announcement, including 45 CFR Part 75.322 concerning intangible property. For more information on loan projects, please refer to the FOA.

Question: I am preparing a proposal for a non-profit organization, where I am the vice-president. After analyzing the information, there is doubt: can we submit the proposal for construction and non-construction at once? We need a building to establish a pastry industry, can we include the training for the students, not as employees, but the fees and materials?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. Applicants may choose to include both construction and non-construction activities in their project, but please note that construction projects are defined in the FOA as "projects that involve the initial building or large scale modernization or permanent improvement of a facility." If you are submitting an application for a project with both construction and non-construction elements, you will need to fill out all applicable forms identified in the FOA, including SF-424A - Budget Information - Non- Construction Programs and SF-424B - Assurances - Non- Construction Programs. Additionally, as noted in the FOA, projects that involve construction will have a 5-year project period.

The FOA also notes that CED funds may not be used for projects that focus primarily on job training, job placement, and technical assistance. Limited job training and job placement activities can be supported in the context of modest training that may be provided specifically for the new positions created. For example, funds can be used to train a cashier for a specific position that has been created, but cannot be used to operate a general job training and placement program.

Question: On page 4, the FOA states that projects that provide subawards/ pass-through are ineligible. May applicants provide direct funding to project partners and participating businesses through subcontracts or consultant agreements?

May the applicant propose a project that does not include loan transactions and/or equity investments?

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Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. Equity investments and loan transactions are not pass-through; these qualify as intangible property and debt instruments. Applicants may provide funding to participating businesses, which are defined as "a business that had been identified as a CED project participant, having executed a third-party agreement with the CED applicant to create new, full-time, full-year jobs-at least 75 percent of which will be filled by individuals with low-income. Proposed jobs are specifically identified in the third party agreement. Many projects utilize grant funds to provide loans to identified, viable participating businesses, and/or as an equity or stock investment. Regarding the equity/stock investment, grantees can convey grant funds to third parties to help finance participating businesses creating jobs for eligible program participants. In exchange for a percentage ownership (via stock purchase or equity) specified in a third-party agreement (contract), a participating business receives cash needed to buy, start, or expand a business, provided they agree to specified CED program terms and conditions, including reporting jobs and other benefits to grantees.

Question: On page 7, the FOA states that eligible activities are those that create or expand full-time, full-year positions. On page 1, the FOA states that examples of successful use of CED-HFFI funds include "...providing direct assistance to farmers." We are interested in creating new jobs for farmers in our service area. Many of these positions would be full-time and would provide full-time salary, but would not be full-year because of the nature of farming in the area. Would creating new jobs for these types of farmers be an eligible activity?

Answer: Eligible activities under the CED and CED-HFFI Programs include activities that contribute to creation or expansion of sustainable participating businesses and the creation of full-time, full-year positions within a service area consistent with the cost principles as implemented by 2 CFR Part 200, Subpart E, provided that the expenditures result in job creation for individuals with low-income. As stated in the Definitions section of the Funding Opportunity Announcement, a full-time, full-year position is, "A non-seasonal position requiring at least 30 hours of work per week. An aggregation of part-time positions to a full-time equivalent is not considered a full-time position."

Question: There are individuals in our service area who conduct some farming informally, but do not hold full-time positions nor have stable incomes. Could we use CED-HFFI funds to formalize and sustain these positions? What is required to demonstrate that these constitute new jobs created?

Answer: While OCS cannot comment on your project design prior to submission, as stated in the Funding Opportunity Announcement, "Funds can be used for costs associated with participating business start-up or expansion activities, as consistent with the cost principles found at 2 CFR Part 200, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low-income."

Please note, the FOA defines job creation as "New full-time, full-year positions for the project that did not exist prior to the start of the project and came about as a direct result of the investment of OCS funds in project activities, such as development of new business ventures, the expansion of existing participating businesses, or the development of new products and services. The training and job placement of individuals in positions existing prior to the start of the project, even positions guaranteed to individuals with low-income through a formal agreement with an employer, is NOT considered job creation."

Question: We have a question regarding eligibility for funding through Community Economic Development Healthy Food Financing Initiative Projects. Our organization is a Feeding America food

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bank, but we would essentially be collaborating with another local CDC as a program partner to expand food distribution business activities and create additional jobs.

Would we be eligible even though the food bank is not geographically located within a low income/low access area or Promise Zone? The activities of the grant would benefit residents of the low income/low area with services and jobs created, but the physical location where the food distribution activities are taking place would be outside of the community. To clarify, we are acting as the fiscal sponsor, and the primary applicant CDC is located within a Promise Zone area.

Answer: While OCS cannot comment on your project design prior to submission, as stated in the Funding Opportunity Announcement, the CED-HFFI program provides funding for projects aimed at improving access to healthy affordable foods located in geographic areas with a demonstrated need for the proposed project. Areas that are not in a USDA-defined food desert may still be eligible for funding through the CED-HFFI program if applicants can point to indicators of need such as poor access to a healthy food retail outlet, a high percentage of low-income residents, incidence of diet-related health conditions, or high concentrations of persons eligible for food assistance programs.

Question: Hello, Can Community Economic Development Project grants be used to provide employment opportunities to low-income students at a public university? Employment on campus for low-income students increases persistence and graduation, and prepares students for the workforce.

Answer: While OCS cannot comment on your project design prior to submission, as stated on page 3 in the Funding Opportunity Announcement, "CED funds may be used for the start-up or expansion activities of participating businesses, as consistent with the cost principles, as implemented in 2 CFR Part 200, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low-income. This includes start-up capital for operating expenses, such as salaries, facilities, and equipment that will be replaced by project earnings."

Please note, you cannot use CED funds to support training and technical assistance activities. However, if your project will use CED and CED-HFFI funds for costs associated with business start-up or business expansion activities that will result in the creation of new, full-time, full-year positions in a viable industry that can be filled with low-income individuals, then it is eligible to apply under the CED program. Keep in mind that CED funds may not be used solely for training and technical assistance as a means to create jobs. Limited job training and job placement activities can be supported only in the context of modest training that may be provided specifically for the new positions created. For example, funds can be used to train a cashier for a specific position that has been created, but cannot be used to operate a general job training and placement program.

Question: Hi is anyone available to answer questions via telephone? I really would appreciate answers to the following technical questions: *Is it competitive enough* for applicant to propose a project design to use CED funds to launch an initiative to create employment and business development for low-income individuals in construction? AND *Can the project design combine project activities with a loan funds program* to address entrepreneur (small biz) capital gaps for new and growing entrepreneur businesses started by low income individuals who participate in the employment and business development initiative?

Answer: Please note OCS cannot comment on your project design prior to submission. As stated on page 3 of the CED FOA, "CED funds may be used for the start-up or expansion activities of participating

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businesses, as consistent with the cost principles, as implemented in 2 CFR Part 200, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low-income. This includes start-up capital for operating expenses, such as salaries, facilities, and equipment that will be replaced by projected earnings. Many projects utilize grant funds to provide loans to identified, viable participating businesses, and/or as an equity or stock investment. Regarding the equity/stock investment, grantees can convey grant funds to third parties to help finance participating businesses creating jobs for eligible program participants. In exchange for a percentage ownership (via stock purchase or equity) specified in a third-party agreement (contract), a participating business receives cash needed to buy, start, or expand a business, provided they agree to specified CED program terms and conditions, including reporting jobs and other benefits to grantees. If there is no third-party business and the grantee is the sole owner of the business creating jobs, funds are typically conveyed to the grantee's for-profit subsidiary via a loan or purchase of 100 percent of the stock in the participating business. Grant funds can be used to support one or multiple project strategies. However, evidence that identifies the necessity is required for each strategy used. A summary of each of these strategies is provided in the Definition of Terms later on in this section. Incubator development is allowable as long as the applicant can demonstrate that the focus of the incubator is substantial and specific job creation for individuals with low-income that will be carried out by a participating businesses and the incubator is located in a geographic location within the community. For more information on an incubator, see the Definition of Terms found later in this section."

Question: 1. We plan to register with US Department of Labor Apprenticeship program. Can paid apprenticeships be funded with CED funds? 2. Are paid apprenticeships counted towards jobs created with CED project funds? 3. When is the NFI form filed? After or before CED awarded project? 4. We anticipate assisting funding to 10 companies. These micro-entrepreneur start ups will employ at least 5 employees. Is it okay to include a micro-entrepreneur start up component to the project even if we haven't identified who these micro-entrepreneur start ups funds will be awarded to at the time of the application? 5. Are there specific budget templates to use for this application? Or are we creating our own budget templates? Thank you, *Ne-Tasha B. London* *Consultant & Grants Specialist* *mobile: 916.752.1206*

Answer: 1. and 2.) While OCS cannot comment on your project design prior to submission, as stated on page 3 in the Funding Opportunity Announcement, "CED funds may be used for the start-up or expansion activities of participating businesses, as consistent with the cost principles, as implemented in 2 CFR Part 200, Subpart E, provided that the expenditures result in the creation of positions that can be filled with individuals with low-income. This includes start-up capital for operating expenses, such as salaries, facilities, and equipment that will be replaced by project earnings." Please note, you cannot use CED funds to support training and technical assistance activities. However, if your project will use CED and CED-HFFI funds for costs associated with business start-up or business expansion activities that will result in the creation of new, full-time, full-year positions in a viable industry that can be filled with low-income individuals, then it is eligible to apply under the CED program. Keep in mind that CED funds may not be used solely for training and technical assistance as a means to create jobs. Limited job training and job placement activities can be supported only in the context of modest training that may be provided specifically for the new positions created. For example, funds can be used to train a cashier for a specific position that has been created, but cannot be used to operate a general job training and placement program.

3.) As stated on page 7 of the CED FOA, "For the CED program, a Notice of Federal Interest (NFI) must be filed when grant-funded construction or major alteration and renovation begins or when an existing facility or land is acquired with grant funds." The NFI does not need to be included in the application.

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After the award is granted, the OCS Program Specialist will work with you on what needs to be on the lien.

4.) The participating businesses should be identified in your application. Participating Businesses, defined on page 8 of the CED FOA, are businesses that have been identified as CED project participants, having executed a third-party agreement with the CED applicant to create new, full-time, full-year jobs, at least 75 percent of which will be filled by individuals with low income. Proposed jobs are specifically identified in the third party agreement.

5.) As stated on page 32 of the FOA, "the project budget is entered on the Budget Information Standard Form, either SF-424A or SF-424Cm according to the directions provided with the SFs. The budget justification consists of a budget narrative and a line-item budget detail that includes detailed calculations for "object class categories" identified on the Budget Information Standard Form. Applicants must indicate the method that they are selecting for their indirect cost rate.

Question: I was referred by the Grants Office regarding a question we had about equity versus debt investments. Are nonprofits consider eligible participating businesses to receive either an equity or debt investment? The lead applicant is a nonprofit and is planning to submit investments into 2-3 local small businesses that fulfill the job creation criteria. We are currently a grantee who received funds last year to provide equity investments into 2 small businesses.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As indicated on page 3 of the CED FOA, CED funds may be used for the start-up or expansion activities of participating businesses, as consistent with the cost principles, provided that the expenditures result in the creation of positions that can be filled with individuals with low-income.

The participating businesses should be identified in your application. Participating Businesses, defined on page 8 of the CED FOA, are businesses that have been identified as CED project participants, having executed a third-party agreement with the CED applicant to create new, full-time, full-year jobs, at least 75 percent of which will be filled by individuals with low income. Proposed jobs are specifically identified in the third party agreement.

For loan projects, the application must identify the specific participating business(es) that will receive the loan(s) and demonstrate how loans will be made in compliance with all program requirements described elsewhere in the announcement, including 45 CFR Part 75.322 concerning intangible property. For more information on loan projects, please refer to the FOA.

Question: Hi, We are applying for this grant. They grant funds can be used for construction, or non-construction projects. Our project is best designed with both components, but is viable with just one. Can part of the funds be used for construction and part be used for operation? As I read the grant this appears to be true... Thank you for your assistance. I know it is very import to ask for the funds in the right way.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. Applicants may choose to include both construction and non-construction activities in their project, but please note that construction projects are defined in the FOA as "projects that involve the initial building or large scale modernization or permanent improvement of a facility." If you are submitting an application for a project with both construction and non-construction elements, y you will need to fill out all applicable

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forms identified in the FOA, including SF-424A - Budget Information - Non- Construction Programs and SF-424B - Assurances - Non- Construction Programs as well as SF-424C - Budget Information - Construction Programs and SF-424D - Assurances - Construction Programs. As stated in the FOA, All applicants must submit the SF-424B budget form. However, if you're doing construction you will also submit SF-424C – Budget form.

Construction Projects

Question: I am working on a proposal for an HFFI funding. The project will be a business expansion project to provide a second location for a food production business. The budget for the project is approximately \$1.5 million. Fifty percent of the project cost will be to purchase lighting, growing systems and equipment to transform an industrial building into an urban farm. The other fifty percent of the cost of the budget will be used for interior renovation of the building. OCS funds will be requested for the purchase of the lighting, growing systems and equipment and non-CED funds will be used for the construction. Will this project qualify as a construction project with a five-year project period if OCS funds are not used for the construction costs?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the Funding Opportunity Announcement (FOA) language that relates to your question. As defined on page 6 of the CED-HFFI FOA, construction projects are "projects that involve the initial building or large scale modernization or permanent improvement of a facility". A project that involves these elements will be considered a construction project.

Question: Per the OCS CED RFP 2016: "Note: A grantee must file a Notice of Federal Interest (NFI) if it uses CED funding for hard costs or major alteration and renovation of real property to construct or provide major alterations and renovations or for acquisition of a facility or land for the project. See also the definition of Reversionary Interest." I have never filed an NFI before, and can't find any standard forms on the ACF website or via google search. Is this something we will have to file if our CED-construction project is funded, or do we need to submit the NFI with our grant application on April 27? Please advise. Any information you can provide is greatly appreciated.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As stated on page 7 of the CED FOA, "For the CED program, a Notice of Federal Interest (NFI) must be filed when grant-funded construction or major alteration and renovation begins or when an existing facility or land is acquired with grant funds."

The NFI does not need to be included in the application. After the award is granted, the OCS Program Specialist will work with you on what needs to be on the lien.

Question: Good afternoon, I am preparing a CED application for submission this Wednesday and we are proposing a construction application. In the Grant Application Package I wanted to be sure that I filled in the budget forms correctly. Do I place only the construction budget information on the Construction Budget and the rest of the program budget on the Non-Construction Budget form?

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Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. Applicants may choose to include both construction and non-construction activities in their project, but please note that construction projects are defined in the FOA as "projects that involve the initial building or large scale modernization or permanent improvement of a facility." If you are submitting an application for a project with both construction and non-construction elements, you will need to fill out all applicable forms identified in the FOA, including SF-424A - Budget Information - Non- Construction Programs and SF-424B - Assurances - Non- Construction Programs as well as SF-424C - Budget Information - Construction Programs and SF-424D - Assurances - Construction Programs. As stated in the FOA, All applicants must submit the SF-424B budget form. However, if you're doing construction you will also submit SF-424C – Budget form.

Question: To whom it may concern: We are applying for a grant under the above FOA to be able to fund a construction project. Should we fill out the Form SF424-A also or only Form SF424-C? Please advise.

Answer: As indicated on page 21 of the CED FOA, submission of forms SF-424C - Budget Information - Construction Programs and SF-424D Assurances - Construction Programs "is required when applying for all applications when applying for a construction project. Standard Forms must be used. Forms must be submitted by the due date. By signing and submitting the SF-424D, applicants are making the appropriate certification of their compliance with all Federal statutes relating to nondiscrimination." You must also submit the Forms SF-424A and SF-424B, which are required for all applications. As stated in the FOA, All applicants must submit the SF-424B budget form. However, if you're doing construction you will also submit SF-424C – Budget form.

Disbursement of Funds

Question: How do grantees typically handle the disbursement of funds?

Answer: Regarding your question about disbursement of funds, upon receiving a CED award and review and completion of any necessary paperwork and requested modifications, the grantee will have access to all of their grant funds through the Division of Payment Management Services. It is up to the grantee to determine the best way to draw down funds as needed to implement their project and coordinate with any project partners. It is important to note that all grant funds must be treated in accordance with applicable Federal rules and regulations, including the HHS Grants Policy Statement, Uniform Administrative Requirements of the Code of Federal Regulations, and cost principles. View the HHS Grants Policy Statement at: <http://www.hhs.gov/asfr/ogapa/aboutog/hhsgps107.pdf>. Also, grantees under this funding opportunity announcement will be required to submit performance progress and financial reports twice a year throughout the project period. Additional details on reporting and the frequency of required reporting is outlined in Section VI.3. Reporting.

Question: Please clarify this discrepancy: Page 29 of the package states that "any repaid principal on such loans that is no longer needed for the originally authorized purpose of the CED program will revert to ACF" but page 7 states, "when principal is repaid, is used to make new loans that support a similar purpose." So does the money revert to ACF or does it remain with the CDC to make new loans?

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Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As stated on page 29 of the CED FOA, "For loan projects, the application must identify the specific participating business(es) that will receive the loan(s) and demonstrate how loans will be made in compliance with all program requirements described elsewhere in this announcement, including 45 CFR Part 75.322 concerning intangible property. This must contain, at a minimum, the following information: the strategies to ensure that loan funds go to eligible beneficiaries for business development activities; that the interest rate charged will be at or below market rate; that copies of executed loan agreements will be submitted to ACF upon establishing such loans with program participants; and that any interest accrued on loans will be used to continue to expand the activities of the originally approved project during the grant period; and that any repaid principal on such loans that is no longer needed for the authorized purpose of the CED program will revert to ACF.

Mandatory Grant Disclosure

Question: Could you please provide information on what the mandatory grant disclosure is, we have never had to include this form on a grant before.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. The mandatory grant disclosure submission is required for all applicants and recipients, in writing, to the awarding agency and to the HHS Office of the Inspector General (OIG), all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosure must be sent in writing to: The Administration for Children and Families, U.S. Department of Health and Human Services, Office of Grants Management, 330 C Street, SW., Washington, DC 20201 and U.S. Department of Health and Human Services, Office of Inspector General, ATTN: Mandatory Grant Disclosures, Intake Coordinator, 330 Independence Avenue, SW., Cohen Building, Room 5527, Washington, DC 20201

Project Location

Question: Dear OCS Grant Staff, I've left a voicemail, but thought I should also submit this question via email. We are proposing a wonderful locally-supported project under the CFDA Number 93.570 that will create 32 jobs for early childhood/pre-school teachers in ZipCode 92058, in Oceanside, CA. We are certain that we can find enough eligible participants (those meeting 125% of poverty income) but we are right on the cusp of showing that the zipcode itself meets the terms of the RFP (p. 45): "The application provides recent evidence (published within last 5 years) from U.S. Census updates and other statistics published by federal, state, county, city, or other government bodies that both the unemployment rate and the poverty rate within the project's service area are equal to or greater than the state or national level." ACS S1701 National State Orange Co. Oceanside CA Zip Code 92058 Unemployment Rate 16 and over (ACS DP03, 2010-2014) [We believe that Camp Pendleton should be removed from the equation, so that it should be Civilian Labor Force, not including military] 5.8% (2014) 6.2% (2013) 6.0% (2012) 5.6% (2011) 5.1% (2010) Percent Unemployed of Civilian Labor Force (2014):9.2% 7.0% (2014) 7.3% (2013) 7.1% (2012) 6.5% (2011) 5.8% (2010) Percent Unemployed of Civilian Labor Force

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(2014):11.0% Unemployed of Civilian Labor Force (2014):8.8% 9.3% (2014 Oceanside) 10.3% (2013 Oceanside) 10.3% (2012 Oceanside) 9.9% (2011 Oceanside) 8.8% (2010 Oceanside) Percent Unemployed of Civilian Labor Force (2014) 5.5% (2014) 5.5% (2013) 5.0% (2012) 4.4% (2011) Percent Unemployed of Civilian Labor Force (2014):12.5% Poverty Rate (% below poverty level) ACS Table S1701 15.5% (2014) 15.8% (2013) 15.9% (2012) 15.9% (2011) 15.3% (2010) Percent Imputed Poverty Status for Individuals 28.9%. 16.8% (2014) 15.9% (2013) 17.0% (2012) 16.6% (2011) 15.8% (2010) Percent Imputed Poverty Status for Individuals 30.1%. 16.7% (2014 Oceanside) 13.3% (2013 Oceanside) 12.8% (2012 Oceanside) 13.6% (2011 Oceanside) 12.6% (2010 Oceanside) Percent Imputed Poverty Status for Individuals 25.2%. 12.3% (2014) Percent Imputed Poverty Status for Individuals 27.0%. DPO3 - % of all families living in poverty in last 12 months 11.5% (2014 12.3% (2014) 9.2% 11.0% DPO3 - % of all people living in poverty in last 12 months 15.6% (2014 16.4% (2014) 12.8% 12.3% As you can see, if you take Camp Pendleton out of the unemployment statistics, the unemployment rate for the remaining population MORE THAN DOUBLES! We expect a similar pattern for the Poverty Rate, though we haven't yet found the supporting data. Even so, we are very close to meeting the criteria on p. 45 of the RFP. We want to check to see how you view this particular requirement regarding the "location" -- is it as important as the actual participants? Is it a disqualifier? Thank you for your guidance on this. Separately, I'm checking with local agencies to see if they have data that eliminates Camp Pendleton population (which constitutes 43% of the workforce of that zip code) from the poverty rates for the zip code.

Answer: While OCS cannot comment on your project design prior to submission, as stated on page 45 in the Funding Opportunity Announcement, the application should "provide recent evidence (published within the last 5 years) from U.S. Census updates and other statistics published by federal, state, county, city, or other government bodies that both the unemployment rate and the poverty rate within the project's service area are equal to or greater than the state or national level." As defined in the FOA, a Service Area is "The community to be served by the funded project."

Project Partners

Question: We request your guidance on the requirement that a More Experienced Partner is included in our proposal submission. Here is the challenge: the grant requires that the More Experienced Partner has completed at least two CEDP grants. Nuestras Raices has an association with a nearby CDC that has been awarded 3 CEDP grants but two are still open, only one is complete. How have other applicants navigated this requirement? I have to believe that the universe of CEDP grantees with two completed projects is not huge, particularly when you add HHS's requirement that the experienced partner's project aligns with our own proposal.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. A project partner is defined as "any individual, organization, or participating business entity participating in the project that is not the direct recipient of CED grant funds. Typical project partners include the following: equity investors, donors, a more experienced partner, a wholly owned subsidiary, or a business entity to which the grantee makes an equity investment or capitalizes a loan in support of grant purposes. Note: CED grantees must play a substantive role in the project. A grantee working with a project partner must actively monitor the project and ensure compliance with CED program requirements. A third party

agreement such as a project partner agreement is defined on page 11 of the CED FOA as a "written and signed agreement, entered into by the grantee and project partners, such as a more experienced partner, that will directly or indirectly spend CED funds and/or create new full-time, full-year positions." A more experienced partner is a project partner that successfully meets all the following requirements: is a CDC, has completed two or more CED projects; has completed one or more projects involving similar activities similar to the proposed project; and has experience with collaborative programming.

Indirect Costs

Question: Good morning, Our organization is preparing an application for the CED program and I have a question on indirect expenses. If we are able to directly associate every expense in the application to be exclusive to this proposal, and are not seeking funding for any general overhead (rent, utilities, etc) are we required to include any indirect costs? I wanted to be clear exactly what the ACF considers indirect and wasn't sure if there was a specific set of guidelines on what those items are.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As stated on page 7 of the CED FOA, indirect costs are defined as "overhead costs of an organization that have been approved by HHS or other federal agencies for use in applying for federal funds."

On page 35 of the FOA, Indirect charges are described as the:

Total amount of indirect costs. This category has one of two methods that an applicant can select. An applicant may only select one.

1) The applicant currently has an indirect cost rate approved by the Department of Health and Human Services (HHS) or another cognizant federal agency.

Note: An applicant must enclose a copy of the current approved rate agreement. If the applicant is requesting a rate that is less than what is allowed under the program, the authorized representative of the applicant organization must submit a signed acknowledgement that the applicant is accepting a lower rate than allowed.

2) Per 45 CFR § 75.414(f) Indirect (F&A) costs, "any non-Federal entity [i.e., applicant] that has never received a negotiated indirect costs rate, ... may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. As described in § 75.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time."

Estimated Funding

Question: To whom it may concern, I am working on a Grants.gov application (HHS Community Economic Development Projects and Healthy Food Financing Initiative Projects) I wanted to check about something on page 4. It speaks of the estimated funding section. Our grant request is for several

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projects inside a larger overall program. I wanted to see if this section is asking for the overall funding of the department (total estimates) or if we needed it for each particular program. I know there is a section later in the application that asks for funding estimates for each program. But I am referring to the section on page 4. Let me know if I can clarify anything!

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As stated on page 31 of the CED-HFFI FOA, "sources and uses of funds documentation must be provided for both CED and non-CED funding sources (if applicable) necessary to implement the project along with an itemization of expenses by funding source." Project budget calculations must include estimation methods, quantities, unit costs, and other similar quantitative detail sufficient for the calculation to be duplicated. If matching or cost sharing is a requirement, applicants must include a detailed listing of any funding sources identified in Block 18 of the SF-424 (Application for Federal Assistance).

Federal Share

Question: Can you please find my emails from: nbl.advisor to get answers to me and answer the following: 1. Are these new employees on W-2' 2. Line item 17 on SF-424C....What is my "Federal %Share"? We are a NPO.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As such, we cannot answer your first question as it pertains to how you choose to structure your project. As indicated on the SF-424 instructions, the Federal Share is the amount of federal assistance you are requesting.

Webinars

Question: There wasn't an announcement of any kind of technical support for this application. No FAQ's, no webinar(s) to take applicants through the application, etc.

Answer: Hello, you may access the webinars and accompanying materials, including FAQs on the CED and CED-HFFI FOA here: <http://www.acf.hhs.gov/programs/ocs/resource/ced-and-ced-hffi-funding-opportunity-announcement-resource-page-fy-2015>.

Application Formatting

Two-file Requirement

Question: What is the two-file requirement?

Answer: Each applicant is required to upload ONLY two electronic files, excluding SFs and OMB-approved forms.

- File One: Must contain the entire Project Description, and the Budget and Budget Justification (including a line-item budget and a budget narrative).

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- File Two: Must contain all documents required in the Appendices.

No more than two files will be accepted for the review. Applications with additional files will be amended and files will be removed from the review. SFs and OMB-approved forms will not be considered additional files. Please do not attach additional documents to the SF-424 at Question 14 and/or after Question 15. Instead of providing a separate response to Question 14, all applicants are required to submit the SF for Project/Performance Site Location(s) (SF-P/PSL). In the SF-P/PSL, applicants may cite their primary location and up to 29 additional performance sites. Documents submitted as attachments to the SF-424 will be removed from the application and will not be reviewed.

Eligibility Requirements

Applicant Eligibility

Question: Who is eligible to apply for a CED grant?

Answer: To be eligible for the CED program, an applicant must meet three conditions:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;
2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and
3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.”

Applications from individuals (including sole proprietorships) and foreign entities are not eligible and will be disqualified from competitive review and from funding under this announcement. See Section III.3. Other, Application Disqualification Factors.

Faith-based and community organizations that meet the eligibility requirements are eligible to receive awards under this funding opportunity announcement. Faith-based organizations are encouraged to review the ACF Policy on Grants to Faith-Based Organizations at: <http://www.acf.hhs.gov/acf-policy-on-grants-to-faith-based-organizations>.

See "Legal Status of Applicant Entity" in Section IV.2 for documentation required to support eligibility.

Question: Community action agencies are eligible to apply for a CED grant as long as they meet the following three conditions:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;
2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and

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3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Answer: Community action agencies are eligible to apply for a CED grant as long as they meet the following three conditions:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;
2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and
3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Question: My organization is a current CED-HFFI grantee with a grant period from Jan. 1, 2014-December 31, 2016. Will we be eligible to apply for CED funding this April for a new project? I attended the webinar this afternoon and there was no mention of eligibility limitations for current/past grantees.

Answer: Yes, you may apply for another CED or CED-HFFI grant as long as the funding will be used for a separate project that is different in scope from the your current CED or CED-HFFI project. An expansion of an existing project would be considered a new project as long as the CED/CED-HFFI funds are not being used to complete the original CED/CED-HFFI project.

Question: If we were awarded a grant last year to be used for equity investments in small businesses does that preclude us from applying again this year for grant use as equity?

Answer: You may apply for another CED/CED-HFFI grant as long as the funding will be used for a separate project from your current CED or CED-HFFI project.

Question: Our organization has extensive experience implementing initiatives to improve access to, and purchase and consumption of healthy, affordable foods within food deserts. These interventions have had a positive impact on businesses and economic status of low-income individuals, but have not explicitly focused on job creation. We have also led efforts to strengthen and expand the community health representative network in the area, but have not documented number of jobs created through these initiatives. Does our organization demonstrate sufficient past performance or is it recommended that we partner with a more experienced partner?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As explained in the FOA, the application must provide evidence of two business creation or business expansion projects undertaken

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by the applicant within the last ten years that are substantially similar to the project for which CED funding is being requested and were successful in creating full-time, full-year positions that lasted for at least one year beyond the project period. For each of the two business creation or business expansion project examples given, the application must provide: a quantitative and qualitative description of the impact of these projects (the number of jobs created for individuals with low-income, wages, benefits, and position descriptions); and the number of years of project operation and position availability.

Applicants that cannot demonstrate substantial experience with economic development projects similar in size and scope to those proposed in the application must provide evidence of a viable partnership with a more experienced partner (as defined in Section I. Program Description) and evidence of a workable and strategic arrangement for the more experienced partner to provide the administrative, technical, and/or financial technical assistance needed to ensure the success of the project.

Question: Since the CED-HFFI program was launched in 2010 and most awards are 3-5 years in duration, we have not been able to find any organizations that meet the definition of more experienced partner. On page 9, the definition is “A project partner that successfully meets all of the following requirements: is a CDC, has completed two or more CED-HFFI projects; has completed one or more projects involving activities similar to the proposed project; and has experience with collaborative programming.” If the applicant may not be able to demonstrate substantial experience with economic development projects similar in size and scope to the proposed in the application, is it sufficient to partner with a more experienced organization that has completed only one CED-HFFI project?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As defined in the FOA, a more experienced partner is “A project partner that successfully meets all of the following requirements: is a CDC, has completed two or more CED-HFFI projects; has completed one or more projects involving activities similar to the proposed project; and has experience with collaborative programming.”

When reviewing the Past Performance with Similar Job Creation Projects section, reviewers will consider the extent to which the application demonstrates that applicant has past experience with similar projects. The application must provide evidence of two business creation or business expansion projects undertaken by the applicant within the last ten years that are substantially similar to the project for which CED funding is being requested and were successful in creating full-time, full-year positions that lasted for at least one year beyond the project period.

Question: Does a certified CDE and/or CDFI qualify as a Community Development Corporation (CDC) for purposes of the Community Economic Development (CED) and CED-HFFI grant programs? If not, could Legacy partner with a local CDC and the CDC use a share of the grant money to go towards leveraging the CDFI's (Legacy's) investment in CED/CED-HFFI eligible activities?

Will there be webinars scheduled for prospective applicants for this HFFI grant? Where can I find a schedule of upcoming information sessions please?

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Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. To be eligible for the CED program, an applicant must meet three conditions: Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status; applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has a principal purpose the planning, the developing, or managing of low-income housing or community economic development activities; and the Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders. Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Question: OCS, Is an application from a lead-entity private nonprofit with a local government co-applicant facially eligible? The lead-applicant nonprofit organization is wary that the co-applicant designation, while intended to strengthen the application, may inadvertently disqualify the application altogether, because applicants must be private nonprofits.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. To be eligible for the CED program, an applicant must meet three conditions: 1) Applicant must be a private, non-profit CDC with 501 (c)(3) or non-501(c)(3) status; 2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community development activities; and 3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders. Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Question: Below is the definition of a CDC taken directly from the FOA. Based on the definition, along with the clarifying note from the FOA, it would appear that the UL does not have to meet a 'qualifying process' or other 'certifying event' to demonstrate its eligibility as a CDC, other than to demonstrate (through the proposal language) that it meets the three qualifying criteria. Please confirm or correct. The organization must be a private, nonprofit with 501(c)(3) or non-501(c)(3) status; The organization must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has a principal purpose of planning, developing, or managing low-income housing or community economic development activities; and, The Board of Directors of the organization must have representation from community residents, business leaders, and civic leaders. NOTE: The CDC designation does not need to be specified on any official documents as long as the three requirements stated earlier in this definition are met. Good Morning Gerald and Bridget, The Lorain County Urban League is working on a grant proposal for the Community Economic Development initiative. However, we have a question, What constitutes a private nonprofit CDC? How is that determined? In my conversation with Rafael, CDC status was determined more in terms of the function of the agency and the board make up. Please provide guidance as soon as possible.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. To be eligible for the CED

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program, an applicant must meet three conditions: 1) Applicant must be a private, non-profit CDC with 501 (c)(3) or non-501(c)(3) status; 2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community development activities; and 3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders. Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Question: Hi, I am emailing in reference to the Community Economic Development Healthy Food Financing Initiative Projects Grant through Department of Health and Human Services - Administration for Children and Families - OCS. Can a city government apply as the lead applicant in partnership with a local non-profit? What is considered a non-profit that is not a 501c3? Can you provide examples of the this type of organization that would be eligible? Please advise as we are working on the application and the Application deadline is April 27, 2016. Thank you and look forward to your response.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. To be eligible for the CED program, an applicant must meet three conditions: 1) Applicant must be a private, non-profit CDC with 501 (c)(3) or non-501(c)(3) status; 2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community development activities; and 3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders. Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Question: Is it required that the following be provide to be eligible to apply for the Community Economic Development Projects program. *Commitment letters describing unconditional financial commitments for loans, municipal, federal or state tax credits, equity stock investments, or other supporting grants and investments. We are in the process of pulling together these sources and are within 3 months of securing the following sources for a qualified \$14M Healthy Food project including (\$4.25M Historic Tax Credit, \$1.8M municipal grant, \$1.5M equity investments and \$5.7M in debt). We would not accept a HHS Community Economic Development Projects award until we secured these sources, but it would not be possible to have commitment letters by the time the proposal is due. Is it possible to apply noting these sources, be notified of funding (if selected), secure financing in the next 3 months and then be awarded the funds? Or in other words is it possible to be awarded funding contingent upon securing these sources in the next 3 months?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As defined on page 10 of the CED FOA, a commitment letter, "is a signed letter of commitment that describes the level of financial support for the project made by a third-party (e.g., lender, investor, donor, or other grantor). Such commitment letters are required if the applicant proposes a project for which non-CED funds (e.g., loans, municipal, federal or state tax credits, equity stock investments, etc.) will be required in order to

successfully create the proposed jobs and create and/or expand the proposed business(es). Commitment letters must be signed, specific, and conditioned only on the receipt of the grant award.

Program Income

We are looking for clarification regarding the use of revenues, or ""program income,"" in the project budget. Page 7 of the NOFA says: ""Financially feasible/viable projects identify and explain revenues, fees, or other sources of revenues sufficient to provide for business operation and maintenance, a reasonable reserve, and debt payment for the purpose of job creation.""

In our 2015 application, we submitted operating projections that showed program income to support the viability of the enterprise. We also included a project budget with certain expenses covered by HHS grant funds and others covered by the applicant. A reviewer deducted points, commenting that, "Program income will be necessary to implement the proposed project. The applicant explicitly states it will rely on two sources of revenue: The CED grant and margins on sales from both independent and contracted growers; which is project income, and cannot be relied upon, per the FOA."

We see that Program Income is defined in the NOFA as ""Income earned by a grantee from federally funded activities. Program income may not be used to meet the non- CED-HFFI funding needs for implementation of the project in the project design (e.g., it may not be used as equity in the project to demonstrate that the non-CED-HFFI funding needs for implementation have been met).""

Is this correct? How is it possible to have a viable business enterprise that does not operate using program income?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As defined in the Definition of Terms section of the FOA, program income may be used to demonstrate the long-term sustainability of the project. However, since CED projects should be ready for implementation at the time of the award, future program income cannot be used to meet the non-CED funding needs for project implementation.

In the Project Budget and Budget Justification section, you can provide a description and justification for the use of any program income your project has:

Description: The estimated amount of income, if any, expected to be generated from this project. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds.

Justification: Describe the nature, source, and anticipated use of program income in the budget or refer to the pages in the application that contain this information.

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Question: On page 30 of the FOA, the second bullet point says, "That future program income is not necessary to meet the funding needs for implementation of the project design." What does this mean?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. Program income may be used to demonstrate the long-term sustainability of the project, but since CED projects should be ready for implementation at the time of the award, future program income cannot be used to meet the non-CED funding needs for project implementation. Program income is defined on page 8 of the CED FOA as "income earned by a grantee from federally funded activities. Program income may not be used to meet the non-CED funding needs for implementation of the project in the project design. (e.g. it may not be used as equity in the project to demonstrate that the non-CED funding needs for implementation have been met)."

Business Plan

Past Performance with Similar Job Creation Projects

Question: In the case of meeting the past performance criterion, if an applicant were partnering with an entity more experienced in job creation, can that entity's performance be utilized to meet the expectation of providing evidence of two business creation or business expansion projects, similar to that being proposed?

Answer: Yes – when partnering with a more experienced entity, the partner's experience can be utilized to demonstrate evidence of business creation or business expansion projects undertaken by the applicant within the last ten years that are substantially similar to the project for which CED funding is being requested and were successful in creating full-time, full-year positions that lasted for at least one year beyond the project period. However, keep in mind, each application will be evaluated individually to determine the extent to which the application meets the evaluation criteria outlined in *Section V.1. Criteria*.

Question: Regarding the requirement that we have two previous examples of a qualifying project: There is one key project that the CDC has assisted with both the creation and expansion phase, and we were wondering if this would be sufficient to include in a competitive application?

Answer: We cannot comment on the specifics of the example you have provided. As outlined in the Funding Opportunity Announcements, reviewers will evaluate the extent to which application demonstrates that the applicant and all partner organizations have the experience necessary to successfully carry out the proposed project, including evidence of two business creation or business expansion projects undertaken by the applicant within the past 10 years that are substantially similar in terms of size and scope to the project for which CED funding is being requested and were successful in creating full-time, full-year positions that lasted for at least 1 year beyond the project period.

Financial Feasibility

Question: Please clarify the follow: Page 6 under Definitions describes Financial Feasibility/Viability as "The component of the business plan demonstrating the financial ability of the grantee to achieve the project's goals of creating permanent full-time jobs for individuals with low-income over the project period." But page 27 under Project Viability states "The financial feasibility of the participating business (es) must be demonstrated for project viability Supporting documentation demonstrating financial feasibility." Please clarify which entity is to provide financial feasibility/validity documentation, the grantee, which I assume means the applicant, or the participating business. Throughout the grant package the document (pgs. 2, 10, 18, 27, 28, and 46) describes Site Control as " Documented proof of the applicant's ownership or control of the property where grant activities will be conducted." If the participating business that will be creating the job has control of the facility where the project will take place, how can the applicant (the CDC) have control? What will be appropriate documentation to present? Similarly, should staff, positions, business plans, etc. be provided for the applicant, which is the CDC, or the participating business to which a loan will be made to create jobs for low income residents or both?

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. As stated on page 27 of the CED FOA, "the financial feasibility of the participating business (es) must be demonstrated for project viability. Supporting documentation demonstrating financial feasibility (profit and loss statements, forecasts, balance sheets, and sources, and uses of funds statements" for all funds available to the project must be provided in the application."

Letters of Support

Question: The description of a Commitment Letter that ""describes the level of financial support for the project made by a third-party"" (page 10 of CED FOA) is very similar to the description of Letters of Support ""from organizations or individuals that pledge to support the proposed project by either providing in-kind services or financial contributions"" (pages 49-50 of CED FOA).

Will any points be awarded for the Letters of Support section if the letters show public support for the applicant's project, including from Congressional members and local public officials, even if these officials are not providing specific in-kind services or financial contributions for the project?

Answer: As stated in the FOA, when awarding points for Letter of Support, reviewers will take into consideration the extent to which an application includes signed and dated letters of support from organizations or individuals that pledge to support the proposed project by either providing in-kind services or financial contributions; The exact nature and/or amount of the contributions is clearly identified; and The letters indicate that support is contingent only upon receipt of a CED-HFFI award.

Bonus Points

General

Question: We would like to know if a project would be funded without achieving any of the three bonus point's areas, via underserved states with no active CED project, persistent poverty counties and promise/choice neighborhoods.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. Reviewers will evaluate and score an application based on the information and documentation provided in the application. Applications will be reviewed and evaluated against the evaluation criteria described in detail in the FOA.

It is possible for an application to be funded with or without receiving any of the bonus points, as the number of points assigned to each criterion indicates the relative importance of that factor to OCS. The application should be organized to address each criterion in the section where it is requested and in the order requested to ensure that the reviewers can properly evaluate the application. Each application must demonstrate compliance with each of the program elements described in the announcement.

Alignment with Comprehensive Neighborhood Change Initiatives

Question: In the Bonus Points section for Alignment with PZs or Choice Neighborhoods it states that the application must provide a signed letter of support. As part of the grants.gov package, there is also a HUD Form for Promise Zone Preference points. For grantees that will be serving Promise Zones is it necessary to include both the signed HUD Form and a signed letter of support in order to score up to the maximum 5 bonus points or is the signed HUD form sufficient?

Answer: The completed and signed copy of Certification of Consistency with Promise Zone Goals and Implementation Form (HUD Form 50153) demonstrating the proposed project is located in shared designated target area(s) that align with and/or will benefit the selectee(s) of the Promise Zones Initiative is sufficient.

This form is available at: http://portal.hud.gov/hudportal/documents/huddoc?id=HUD_Form_50153.pdf
Though the form is sufficient to demonstrate collaboration with a Promise Zone, it is also expected that the application documents the extent of involvement/collaboration and clearly outlines roles and responsibilities and any support and/or resources to be provided as a result of this partnership.

Question: The HUD Form for Promise Zone Preference clearly states that projects which substantially and directly benefit Promise Zone residents but which are not within the boundaries of the Promise Zone may be considered for preference points. However, on page 46 of the OCS/CED program announcement it seems to say that the OCS project needs to be located in the Promise Zone/Choice Neighborhood in order to be eligible for bonus points. Can you clarify?

Answer: Projects that are not located within the boundaries of a Promise Zone, but will directly benefit the selectee(s)/residents of the Promise Zones Initiative are eligible for bonus points. Keep in mind, your application must also provide sufficient detail demonstrating this.

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Question: Can you confirm that the HUD Form 50154 in the grants.gov package should be attached as an "Other Attachments Form" since it is listed as one of the "required forms/assurances/certifications", and will not be counted towards the page limits.

Answer: The Certification of Consistency with Promise Zone Goals and Implementation Form (HUD Form 50153) is listed under a required form and FOA. Therefore, it should not be included in the Project Description and Appendices files and not count toward the page limit. This form, along with the Standard Forms (SFs) and other OMB-approved forms, such as the SF-424 application and budget forms and the SF-P/PSL (Project/Performance Site Location), are uploaded separately at Grants.gov. These forms are submitted separately from the Project Description and Appendices files. We do recommend including a reference to this form in your application.

See *Section IV.2. Required Forms, Assurances, and Certifications* for the listing of required Standard Forms, OMB-approved forms, and required assurances and certifications.

Others

Question: 1. Will these jobs created qualify for the Work Opportunity Tax Credit (WOTC)? WOTC is a Federal tax credit available to employers who hire and retain veterans, TANF, SNAP recipients, Designated Community Residents (living in Empowerment Zones or Rural Renewal Counties), Vocational Rehabilitation Referral, Ex-felons, Supplemental Security Income Recipients and individuals from other target groups with significant barriers to employment.

Answer: Please note OCS cannot answer questions specific to your application. OCS can only provide answers that direct you to the FOA language that relates to your question. Because of this, OCS cannot answer your question because it pertains to a program other than the CED program.